



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

FEMA

W-04022

TO: Write Your Own (WYO) Principal Coordinators and NFIP Servicing Agent

FROM: WYO Clearinghouse

DATE: May 11, 2004

SUBJECT: FloodSmart—May Newsletter of the NFIP Marketing Campaign

This May's *National Flood Conference Special Edition* of the FloodSmart newsletter is attached.

The FloodSmart campaign is here! We are quickly approaching the campaign's official launch when the "Homeowners" television spot begins to air in June. In addition, June brings the start of the NFIP's Direct Mail program, along with public relations efforts. All activities direct the public to an NFIP 1-800 number and the NFIP's new consumer Web site—www.floodsmart.gov—for more information and to find an agent near them.

This month's newsletter features an in-depth look at the Direct Mail effort, along with a look at where the Direct TV spot will be airing, and important information about new Preferred Risk Policy (PRP) products. Please take a moment to read this valuable resource and pass it along to your agents. You can use the information in your newsletters, publications, or list-serve e-mails.

If you have any questions or need additional information, please contact your Program Coordinator.

Attachment

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative
Suggested Routing: Marketing, Underwriting

7700 HUBBLE DRIVE • LANHAM, MD 20706 • (301) 731-5300

COMPUTER SCIENCES CORPORATION, under contract to the FEDERAL EMERGENCY MANAGEMENT AGENCY,
is the Bureau and Statistical Agent for the National Flood Insurance Program

FloodSmart



NFIP Marketing Program Update

SPECIAL EDITION

National Flood Conference | May 2004

from "Homeowners" television commercial



FloodSmart Consumer Campaign in Full Swing!

NFIP's Marketing Campaign to educate property owners and direct them to WYO companies and agents has officially launched! June marks the start of the "Homeowners" television spot and Direct Mail program, along with public relations to enhance FloodSmart's messages and direct the public to the NFIP's new consumer Web site — www.FloodSmart.gov.

The Stakeholder Relations program is underway with recent outreach to industry partners about NFIP's expanded lower cost Preferred Risk policies for properties in low-to moderate-flood risk areas.

Also, in the upcoming issues, we will provide details on the development of our new co-op program, on-line media and print advertising.

Coming Soon to a TV Near You

Don't forget to look for "Homeowners" television spot on the following stations:

Bravo	Lifetime Movie
CMT	MSNBC
Court	Nat Geo
Discovery	OLN
ESPN	Oxygen
ESPN Classics	Speed
ESPN News	TBS
ESPN2	TLC
Fox News	TNT
GameShow	Weather Channel

NEWS YOU CAN USE

Flooding — A Major Hurricane Hazard

Take advantage of Hurricane Preparedness Week (May 16–22) to educate policyholders about hurricane preparedness. NOAA/National Weather Service, National Centers for Environmental Protection and the National Hurricane Center will kick off a week of public education beginning with a Houston, Texas press conference on May 17, including a Presidential proclamation.

DIRECT MAIL MEANS DIRECT CONTACT

Like a salesperson in an envelope, direct mail can reach out and make a meaningful contact with thousands of consumers at once. Between June 2004 and March 2005, NFIP will be sending out three-quarters of a million direct mail pieces to non policy-holders (acquisition) and just under a million pieces to customers we feel are likely not to renew (retention).



Direct mailings will strategically zero in on states with the biggest growth opportunities: Florida, Texas, New Jersey, North Carolina, Louisiana and California, and potential customers with certain characteristics — homeowners aged 35 and over, with high average incomes, in high-risk areas, and within a half-mile buffer of a high-risk area.

ACQUISITION — REACHING NEW CUSTOMERS

Two acquisition pieces have been created to get business. The first piece pulls images direct “Homeowners” television spot and provides facts to drive consumers to purchase flood insurance. While the TV spot’s strength is its singular reminding consumers that their home insurance manner of disaster that are unlikely to occur — mail enhances our message of risk by slowing pitch and providing more supporting facts.

A second piece, using a visual of a measuring tape, invites the consumer to think about just how much damage “a little bit of water” can do.

In both direct mail approaches, we will direct recipients to phone their insurance agent. If they don’t have an agent relationship, or their agent does not sell flood insurance, we will provide the names of two agents who service their area from the agent lead database. We will also provide 1-800 numbers and the www.FloodSmart.gov address so that consumers can get more information.



MORE NEWS YOU CAN USE

Inland Flooding Day — Wednesday, May 19

The National Hurricane Center’s comprehensive Web site (http://www.nhc.noaa.gov/HAW2/english/inland_flood.shtml) includes a page about inland flooding. The Web site provides hurricane preparedness tips, including understanding hurricane hazards, safety actions, and the need for flood insurance.

The site encourages people to determine their flood risk and directs them to the NFIP Web site. The Web site proclaims, “When you hear hurricane, think inland flooding.”

You also can refer consumers to www.FloodSmart.gov, where they can determine their flood risk and learn how to better protect their property from flood damage.



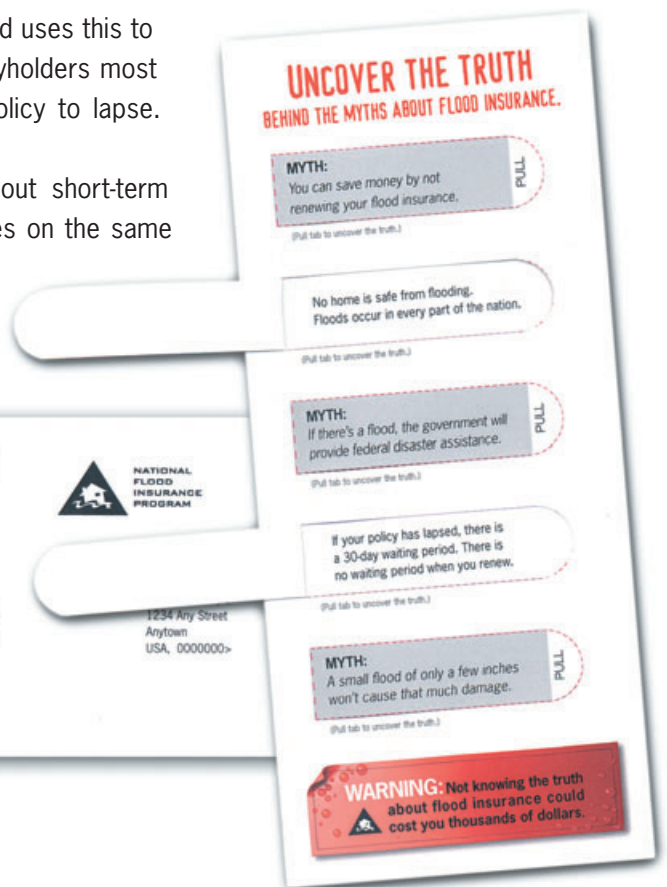
MORE DIRECT MAIL

RETENTION — PREVENTING POLICY LAPSE

Beginning this June, we will be sending out two new retention direct mail pieces to select policyholders whose renewal dates are coming up. We have developed this program using a predictive model that takes historical data and uses this to identify those current policyholders most at risk of allowing their policy to lapse.

The first piece is the tale of two brothers—a cautionary tale about short-term thinking. Here we have two regular guys who own two similar houses on the same street. One brother decides to save money by not renewing his insurance... he actually saves around \$400... until the flood hits.

The second piece uses a simple pull-tab device to debunk some popular myths about letting your flood insurance policy lapse. For example, do consumers think that they'll be bailed out by the government after a disaster? In each case—and many more—we tell them the truth about flood coverage.



MORE NEWS YOU CAN USE

Leads Program in Action

The call center team is staffed, trained and ready to direct leads to you, "the experts," to answer flood questions and to sell flood insurance. If you want to be a part of the leads program but have not sent us your updated information, go to www.fema.gov/nfip/forms.shtm and download the Leads Program application and fax it to 321-978-0333.



FEMA

Expanded Low-Cost Policies Now Available!

Effective May 1, the National Flood Insurance Program (NFIP) is expanding its low-cost Preferred Risk policies for properties in low- to moderate-flood risk areas to include for the first time a non-residential policy for commercial properties and a contents-only renters policy. Since one in four flood insurance claims occur in low- to moderate-risk areas, the goal is to encourage property owners to financially protect themselves with this inexpensive policy.

NEW – PRP building and contents coverage for commercial buildings.

NEW – PRP contents coverage for renters.

NEW – Increased limits for PRP coverage for homeowners.

Agents have a great opportunity to expand their commercial and renter customer base. Consumers benefit from increased coverage options and lower prices. The NFIP has developed Marketing Tips for Agents and two Fact Sheets for consumers about the PRP. New PRP brochures for consumers will also be available soon. For more information about PRP, visit the National Flood Insurance Program Web site at www.fema.gov/nfip.



FEMA



NATIONAL
FLOOD
INSURANCE
PROGRAM



Visit the National Flood Insurance Program Web sites at www.fema.gov/nfip and www.FloodSmart.gov.

WARNING:



**Watch
for more
FloodSmart
information
next month.**